

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE MIDDLE DISTRICT OF TENNESSEE  
NASHVILLE DIVISION**

In re:	)	
	)	
SUMNER REGIONAL HEALTH	)	Case No. 10-04766-MH3-11
SYSTEMS, INC., et al., <sup>1</sup>	)	Jointly Administered
	)	
Debtors.	)	

**The Deadline for Filing a Timely Response is: May 17, 2010.**

**The Hearing Date on the Response is: May 20, 2010 at 1:00 p.m. in Courtroom 3.**

**OBJECTION TO THE DEBTORS' APPLICATION FOR AUTHORITY TO (I) RETAIN NAVIGANT CAPITAL ADVISORS, LLC AND NAVIGANT CONSULTING, INC. TO PROVIDE CRISIS MANAGEMENT SERVICES; EMPLOY (A) WAITE POPEJOY AS CHIEF RESTRUCTURING OFFICER, (B) ROGER KAISER, M.D. AS CHIEF EXECUTIVE OFFICER, (C) MARK BRAZITIS AS CHIEF IMPLEMENTATION OFFICER, (D) MARY CARPENTER AS REVENUE CYCLE OFFICER AND (E) JOSEPH ORITI AS VICE PRESIDENT OF FINANCE; AND (III) OBTAIN THE SERVICES OF CERTAIN OTHER SUPPORT STAFF FROM NAVIGANT TO ASSIST THE DEBTORS WITH RESPECT TO STRATEGIC ALTERNATIVE, DISPOSITION SUPPORT AND PERFORMANCE IMPROVEMENT INITIATIVES**  
**NUNC PRO TUNC AND/OR RETROACTIVE TO THE PETITION DATE**

The United States Trustee, Region 8 (the "U.S. Trustee") hereby objects to the relief requested in the Debtors' Application to (I) Retain Navigant Capital Advisors, LLC and Navigant Consulting, Inc. to Provide Crisis Management Services; (II) Employ (A) S. Waite Popejoy as Chief Restructuring Officer, (B) Roger Kaiser, M.D. as Chief Executive Officer, (C) Mark Brazitis as Chief Implementation Officer, (D) Mary Carpenter as Revenue Cycle Officer and (E) Joseph Oriti as Vice President of Finance; and (III) Obtain the Services of Certain Other Support Staff from Navigant to Assist the Debtors with Respect to Strategic Alternative, Disposition

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<sup>1</sup>The Debtors in these chapter 11 cases are: Sumner Regional Health Systems, Inc. (Case No. 10-04766), Trousdale Medical Center, Inc. (Case No. 10-04767), Frank T. Rutherford Memorial Hospital, Inc. (Case No. 04768), SRHS Holdings, LLC (Case No. 10-04769), Sumner Homecare and Hospice, LLC (Case No. 10-04770), Family Wellness Group of Middle Tennessee, LLC (Case No. 10-04771), and Clinic Care, LLC (Case No. 10-04772).

Support and Performance Improvement Initiatives *Nunc Pro Tunc* and/or Retroactive to the Petition Date (the “Navigant Application”) (Docket No. 137), which is set for hearing on Thursday, May 20, 2010 at 1:00 p.m.

1. The Debtors filed their voluntary petitions under Chapter 11 of the Bankruptcy Code on April 30, 2010. The Meetings of Creditors are scheduled for June 4, 2010.

2. The cases were procedurally, but not substantively, consolidated on May 5, 2010. (Docket No. 78).

3. The Debtors have not filed their Bankruptcy Schedules or their Statements of Financial Affairs.

4. On May 11, 2010, the U.S. Trustee appointed a Committee of Unsecured Creditors in the Sumner Regional Health Systems, Inc. case. The U.S. Trustee has not appointed committees in the other procedurally consolidated cases.

5. The U.S. Trustee objects to the Navigant Application because it does not provide sufficient detail concerning the connections between the parties to allow the Court to evaluate whether conflicts of interest exist between the organizations and individuals seeking employment through the Application and the various Debtors.

6. The U.S. Trustee objects to the Navigant Application because, on information and belief, inter company claims exist between the procedurally consolidated Debtors and the Navigant Application does not identify these inter company claims, or address whether joint employment of the Navigant entities and individuals by the procedurally consolidated Debtors is in the best interests of the bankruptcy estates.

7. The U.S. Trustee objects to the language included in Paragraph 21 (f) of the Navigant Application, which provides that Navigant is not a fiduciary of the Debtors.

8. The U.S. Trustee objects to the Navigant Application because it does not provide for Court review of the fees, including any completion fee, to be paid to the Navigant entities and individuals.

9. The U.S. Trustee objects to the Navigant Application because it appears to provide for payment of a completion fee even if Navigant would be terminated for cause.

10. The U.S. Trustee objects to the Navigant Application because the indemnification provided is greater than provided to other officers and directors of the Debtors.

11. The U.S. Trustee objects tot the Navigant Application because it does not provide for a reduction of costs charged to the Debtors after a sale of the Debtors' major assets has been accomplished.

12. The United States Trustee reserves the right to supplement this objection.

WHEREFORE, the United States Trustee respectfully requests that the relief requested in the Debtors' Application be denied and for such other relief as may be appropriate.

Respectfully submitted,

RICHARD F. CLIPPARD  
UNITED STATES TRUSTEE

**/s/ Lloyd E. Mueller**

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### **CERTIFICATE OF SERVICE**

I hereby certify that, on the 17<sup>th</sup> day of May, 2010, a copy of the foregoing document was transmitted electronically to the parties consenting to electronic service in this case through the ECF system maintained by the United States Bankruptcy Court for the Middle District of Tennessee.

**/s/ Lloyd E. Mueller**

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Lloyd E. Mueller